MACA UPDATE
Fall 2004

Northwest Territories Municipal and Community Affairs

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Introduction

Every fall, the Department of Municipal and Community Affairs publishes *MACA Update* for distribution to Northwest Territories community governments. The main intent has been to provide community governments with information regarding funding projections in order to assist in the preparation of upcoming fiscal year budgets. The timing of the release is intended to assist both tax-based municipal governments, which operate on a fiscal calendar of January to December, as well as non-tax-based communities which, like the Government of the Northwest Territories, operate on a fiscal calendar of April to March.

MACA Update strives to provide community governments with an indication of the level of funding they can anticipate for the coming year, and, in some cases, future years. The information provided by the Department of Municipal and Community Affairs in this update includes Formula-Based Funding amounts for each community, Other Community Funding amounts, and information on the proposed Infrastructure Acquisition Plan. **It is important to note that these funding amounts are subject to approval by the Legislative Assembly.**

Over the years, *MACA Update* has expanded from a strictly financial report to include information about the Department on new programs, initiatives or undertakings that may be useful to community governments. This year, for example, *MACA Update* contains information on the "New Deal for Northwest Territories Community Governments," preparing for the impacts of resource development and many other developments.

Since *MACA Update* is continually evolving, we welcome you to comment or suggest improvements to this document by contacting:

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Changes to Department Structure

In September 2004, the Department of Municipal and Community Affairs initiated a re-organization of the Headquarters functions which will be phased in over the fall and winter, becoming formally effective as of April 1, 2005. The re-organization is intended to:

- Improve efficiency and effectiveness;
- Focus more on core business and drive integration/coordination of related functions; and
- Ensure proper attention and support is provided to regional issues.

The main changes are:

- Jack Poitras, formerly Superintendent of the South Slave Region, has been named Assistant Deputy Minister, Regional Operations. This position is mandated to support, manage and coordinate the regional offices as they work to provide quality programs and services to community governments and other key stakeholders.

- Seven divisions at Headquarters are being restructured into five divisions: *Corporate Affairs, Community Operations, Lands Management, School of Community Governance,* and *Sport Recreation and Youth.* The functions associated with the existing divisions of Community Financial Services, Community Governance and Emergency Services divisions are being retained but will be structurally realigned.

- Functions that support community governments will be amalgamated within the new *Community Operations Division.* These functions include:

  - Community financial services;
  - Governance and legislative support to community governments;
  - Financial policy and infrastructure financing;
  - Community emergency measures;
  - Capital planning;
  - Consumer affairs; and
  - Environmental planning, including regulatory review and permitting.

- The Community Operations division includes two new functional areas that support departmental and Government of the Northwest Territories' priorities:

  - Financial Policy and Infrastructure Financing will focus on leveraging and accessing alternate sources of revenue for community governments; coordinating Municipal and Community Affairs' analysis of and role in federal initiatives, such as the Municipal Rural Infrastructure Fund and the gas tax rebate; and community government fiscal policy analysis and development.

  - Community Emergency Measures will focus on assisting community governments to develop and implement community emergency plans.

- The Office of the Fire Marshal will report directly to the Assistant Deputy Minister in recognition of the unique technical and regional coordination role this office plays.

- A Territorial Emergency Measures Coordinator will report to the Deputy Minister on territorial and national emergency and security issues.

Municipal and Community Affairs anticipates that the proposed re-organization will result in greater coordination and efficiencies, stronger emphasis on support to regions and communities and a more streamlined operation in light of current fiscal pressures.

Communities will continue to be supported by Municipal and Community Affairs' regional offices, and the regional offices will continue to keep you informed of any structural changes.

Government of the Northwest Territories Strategic Plan

In June 2004, the Government of the Northwest Territories released, *"Self-reliant People, Communities and Northwest Territories - A Shared Responsibility: Government of the Northwest Territories Strategic Plan."* This document, based on direction from the Circle of Northern Leaders, sets out the vision and goals for the 15th Legislative Assembly as well as the initial direction for the Government of the Northwest Territories for the next ten years.

The Government of the Northwest Territories' *Strategic Plan* sets out a number of goals. The Department of Municipal and Community Affairs' mandate supports these goals in the following ways:

Goal 1: *A strong northern voice and identity*

The Department of Municipal and Community Affairs provides the resources that enable communities to govern local affairs, and plays a supporting role in the negotiation and implementation of Aboriginal land, resource and self-government agreements.

Goal 2: *Healthy, educated people living in safe communities, who are able to contribute and take advantage of life's opportunities*

The Department of Municipal and Community Affairs provides the training, technical support and funding for community sport, recreation and active living programs. Municipal and Community Affairs also supports safe communities through fire prevention and fire protection programs, and emergency planning and response.

Goal 3: *Well-governed, sustainable communities and regions able to fulfill their potential*

The Department of Municipal and Community Affairs ensures that the legislative and financial framework is in place for community governments to carry out their responsibilities including the responsibility for essential services such as drinking water safety. Municipal and Community Affairs also supports community governments by providing training programs, which enhance the skills and abilities of community staff, officials and other community partners.

Goal 4: ***A diversified economy that provides northerners with opportunities and choices***

The Department of Municipal and Community Affairs provides advice and technical support to help community governments manage the impacts of and realize the most benefits from resource development.

Goal 5: ***Care and protection of the natural environment***

The Department of Municipal and Community Affairs ensures that departments' and community government's environmental concerns are addressed through its land use permitting process. Municipal and Community Affairs is also responsible for overseeing the closure and reclamation of industrial properties located on Commissioner's Land.

The Government of the Northwest Territories' *"Self-reliant People, Communities and Northwest Territories - A Shared Responsibility: Government of the Northwest Territories Strategic Plan"* can be found at the Government of the Northwest Territories website:

www.gov.nt.ca/research/publications/index.html

FINANCIAL PROJECTIONS /Information

How Municipal and Community Affairs Determines Forced Growth

Forced Growth refers to adjustments made to the base dollar amount of Formula-Based Funding to help cover the hard-to-control increases to community government expenditures.

The Forced Growth calculation includes two components:

1) Adjustments for identified uncontrollable increased costs; and
2) Adjustments for new infrastructure.

The following factors are used to determine adjustments fo identified uncontrollable increased costs:

1) Northwest Territories Population – changes in population will affect community government expenditures;
2) Consumer Price Index for Fuel – changes in fuel prices will affect community government expenditures; and
3) Salaries/Wages Indicator – increases in salaries and wages will affect community government expenditures.

All information is taken from the Northwest Territories Bureau of Statistics, with the exception of the salaries/wages and new infrastructure data. Given that an index does not exist that measures salaries/wages, historical information outlining per cent increases in Government of the Northwest Territories wages is received from the Financial Management Board Secretariat. The new infrastructure data came from the Department of Municipal and Community Affairs' capital plan.

This table shows how Forced Growth was calculated for the 2005-2006 and 2006-2007 fiscal years.

Year	Population			Fuel Energy		Salary
	Total	Index (1992)	Rate of Change	Index (1992)	Rate of Change	Rate of Change
2001	40,860	103.6	-0.11%	127.7	0.95%	2.50%
2002	41,434	105.1	1.40%	129.8	1.64%	3.00%
2003	41,872	106.2	1.06%	139.8	7.70%	3.00%
			2.5%		9.5%	6.1%

Based on the above indicators, Municipal and Community Affairs requested a Forced Growth adjustment in 2005-2006 as follows:

$$\frac{1}{3}(2.5\%) + \frac{1}{3}(9.5\%) + \frac{1}{3}(6.1\%) = 6.01\%$$

Municipal and Community Affairs' formula-based budget amount ($30,669,998 in 2004-2005) is therefore adjusted by the percent change in the calculated Forced Growth:

$$\$30,668,998 \times 6.01\% = \$1,840,000$$

Adjustment 2: New Infrastructure

New infrastructure amounts are used in the Forced Growth calculations due to the high operation and maintenance costs associated with new infrastructure upon completion. The total estimated new infrastructure for the last two years (2002-2004) is $970,000. An estimate of ten per cent was used to calculate for the operation and maintenance costs of new buildings and equipment ($970,000 x 10% = $97,000).

The total Forced Growth increase projected for community governments in 2005-2006 is projected to be:

$$\$1,843,000 + \$97,000 = \$1,940,000$$

Community Government Formula Funding Projections

Community	2004-2005 Formula Based Funding	2005-2006 Formula Based Funding	2006-2007 Formula Based Funding	2007-2008 Formula Based Funding
Aklavik	$1,025,000	$994,000	$994,000	$994,000
Colville Lake	$598,000	$631,000	$631,000	$631,000
Deline	$986,000	$950,000	$950,000	$950,000
Deninoo	$465,000	$464,000	$464,000	$464,000
Dettah	$320,000	$329,000	$329,000	$329,000
Enterprise	$264,000	$262,000	$262,000	$262,000
Fort Liard	$938,000	$977,000	$977,000	$977,000
Fort McPherson	$1,085,000	$1,052,000	$1,052,000	$1,052,000
Fort Providence	$978,000	$991,000	$991,000	$991,000
Fort Simpson	$892,000	$884,000	$884,000	$884,000
Fort Smith	$1,109,000	$1,065,000	$1,065,000	$1,065,000
Gameti	$450,000	$465,000	$465,000	$465,000
Hay River	$1,385,000	$1,318,000	$1,318,000	$1,318,000
Hay River Reserve	$327,000	$343,000	$343,000	$343,000
Holman	$1,050,000	$1,023,000	$1,023,000	$1,023,000
Inuvik	$1,641,000	$1,550,000	$1,550,000	$1,550,000
Jean Marie River	$396,000	$411,000	$411,000	$411,000
Kakisa	$318,000	$327,000	$327,000	$327,000
K'asho Got'ine	$1,051,000	$956,000	$956,000	$956,000
Lutselk'e	$505,000	$526,000	$526,000	$526,000
Nahanni Butte	$407,000	$427,000	$427,000	$427,000
Norman Wells	$540,000	$508,000	$508,000	$508,000
Paulatuk	$1,018,000	$1,026,000	$1,026,000	$1,026,000
Rae-Edzo	$1,219,000	$1,235,000	$1,235,000	$1,235,000
Sachs Harbour	$857,000	$847,000	$847,000	$847,000
Trout Lake	$352,000	$361,000	$361,000	$361,000
Tsiigehtchic	$910,000	$927,000	$927,000	$927,000
Tuktoyaktuk	$1,099,000	$1,120,000	$1,120,000	$1,120,000
Tulita	$928,000	$933,000	$933,000	$933,000
Wekweti	$455,000	$458,000	$458,000	$458,000
Wha Ti	$1,042,000	$1,062,000	$1,062,000	$1,062,000
Wrigley	$423,000	$421,000	$421,000	$421,000
Yellowknife	$5,157,000	$5,348,000	$5,348,000	$5,348,000
TOTALS	**$30,190,000**	**$30,191,000**	**$30,191,000**	**$30,191,000**

Notes for Community Formula Funding Projections:

1. Municipal and Community Affairs has requested a Forced Growth funding increase for community governments of approximately $2.0 million. The figures in this table do not reflect this request, since all funding is subject to Legislative Assembly approval. Any additional funding approved by the Legislative Assembly will be allocated to community governments commencing in 2005-2006.
2. Figures depicted in the 2005-2006 and 2006-2007 fiscal years have been calculated using updated data for population and infrastructure.
3. The Northern Cost Index (NCI) is currently under review. Figures depicted in 2005-2006 and subsequent fiscal years will be adjusted to reflect new NCI data.

Other Community Government Funding Projections

Community	Water & Sewer Services Subsidy Policy	Water & Sewer Services Contributions	Mobile Equipment	Insurance	Sr. Citizens/ Disabled Persons PTR	Grant-in-Lieu
Aklavik	$215,668	-	-	$91,761	-	-
Colville Lake	-	-	$5,875	-	-	-
Deline	$195,055	-	-	$76,929	-	-
Deninoo	$124,032	-	$26,650	-	-	-
Dettah	$92,553	-	$8,281	-	-	-
Enterprise	$113,896	-	$14,717	$9,375	-	-
Fort Liard	$395,342	-	-	$99,406	-	-
Fort McPherson	$565,866	-	-	$111,370	-	-
Fort Providence	$237,112	-	-	$110,519	-	-
Fort Simpson	$166,504	-	-	$120,615	$2,976	$220,000
Fort Smith	$211,000	-	-	$174,835	$34,282	$583,000
Gameti	-	$130,000	$45,531	-	-	-
Hay River	$566,212	-	-	$186,849	$67,611	$390,000
Hay River Reserve	$211,217	-	$46,748	-	-	-
Holman	$148,046	-	-	$144,243	-	-
Inuvik	$432,420	-	-	$156,311	$24,045	$1,072,000
Jean Marie River	-	$27,000	$33,590	-	-	-
Kakisa	-	$53,000	$27,434	-	-	-
K'asho Got'ine	$375,778	-	-	$129,321	-	-
Lutselk'e	$53,392	-	$41,804	-	-	-
Nahanni Butte	-	$27,000	$36,169	-	-	-
Norman Wells	$274,612	-	-	$130,075	$1,309	$68,000
Paulatuk	$88,296	-	-	$75,112	-	-
Rae Edzo	$608,068	-	-	$107,206	-	-
Sachs Harbour	$82,360	-	-	$77,432	-	-
Trout Lake	-	$27,000	$45,409	-	-	-
Tsiigehtchic	$159,223	-	-	$75,931	-	-
Tuktoyaktuk	$408,871	-	-	$126,182	-	-
Tulita	$220,461	-	-	$57,242	-	-
Wekweti	-	$81,367	$53,122	-	-	-
Wha Ti	$205,889	-	-	$92,879	-	-
Wrigley	$146,044	-	$29,375	-	-	-
Yellowknife	$209,594	-	-	$716,453	$113,677	$2,210,000

Notes for Other Community Funding Projections:

1. **Figures included in the "Insurance" column reflect the ongoing insurance costs of community governments, as well as costs of insurance for community governments who are members of NORCIX. Funding allocated to community governments who are members of NORCIX is provided proportionally based on premium billings.**
2. All funding is subject to Legislative Assembly approval.

Proposed Infrastructure Acquisition Plan 2005-2006 to 2007-2008

The Department of Municipal and Community Affairs' Proposed Infrastructure Acquisition Plan for the fiscal year period of 2005-2006 to 2007-2008 is presented on the following pages. It is important to note that the projects included in the Plan are subject to approval by the Legislative Assembly during the review of the 2005-2006 Main Estimates.

Proposed Infrastructure Acquisition Plan 2005-2006 to 2007-2008

Community	Project	2005-2006	2006-2007	2007-2008	Future Years	Total	Type Indicator
Aklavik	Dozer	-	220	-	-	220	IC
Aklavik	Road Erosion Protection	50	100	50	-	200	IC
Colville Lake	Mini Fire Pumper	-	-	-	120	120	TCA
Colville Lake	Sewage Disposal Site	280	400	10	-	690	TCA
Colville Lake	Sewer Truck	-	-	-	100	100	TCA
Colville Lake	Water Supply	475	10	-	-	485	TCA
Colville Lake	Water Truck	-	-	-	120	120	TCA
Deline	Solid Waste Site Relocation	250	250	250	10	760	IC
Dettah	Loader	-	-	-	150	150	TCA
Dettah	Solid Waste Disposal site	250	100	3	-	353	TCA
Enterprise	Loader	150	-	-	-	150	TCA
Enterprise	Solid Waste Disposal Site	-	20	225	5	250	TCA
Fort Good Hope	Remedial of old solid waste site	40	120	-	-	160	IC
Fort Liard	Firehall	50	600	5	-	655	IC
Fort Liard	Grader	-	-	-	235	235	IC
Fort Liard	Loader	-	-	-	160	160	IC
Fort Liard	Maintenance Garage	75	500	25	-	600	IC
Fort McPherson	Dozer/loader	250	-	-	-	250	IC
Fort McPherson	Firehall	775	10	-	-	785	IC
Fort McPherson	Hamlet Office	170	1,100	10	-	1,280	IC
Fort Providence	Fire Truck	-	240	-	-	240	TCA
Gameti	Dozer	-	-	-	245	245	TCA
Gameti	Fire Truck	-	-	-	240	240	TCA
Gameti	Loader/Backhoe Retrofit	-	-	-	85	85	TCA
Gameti	Sewage Truck	-	-	100	-	100	TCA
Gameti	Sewage/Solid Waste Disposal Sites	150	5	-	-	155	TCA
Gameti	Water Truck	-	130	-	-	130	TCA
Hay River Reserve	Community Hall Foundation Repairs	300	25	-	-	325	TCA
Holman	Community Office	44	200	-	-	244	IC
Holman	Maintenance Garage	-	150	-	-	150	IC

Community	Project	2005-2006	2006-2007	2007-2008	Future Years	Total	Type Indicator
Jean Marie River	Dozer	240	-	-	-	240	IC
Jean Marie River	Firehall	5	-	-	-	5	TCA
Kakisa	Sewage Truck	-	-	120	-	120	TCA
Lutsel K'e	Arena	3,000	10	-	-	3,010	TCA
Lutsel K'e	Loader	-	-	-	160	160	TCA
Lutsel K'e	Sewage Truck	100	-	-	-	100	TCA
Nahanni Butte	Dozer	-	-	240	-	240	IC
Nahanni Butte	Water Treatment Plant/Truckfill Station Upgrade	400	10	-	-	410	TCA
Paulatuk	Fire Truck	240	-	-	-	240	IC
Paulatuk	Grader	-	-	240	-	240	IC
Paulatuk	Loader	-	-	-	200	200	IC
Paulatuk	Road erosion	100	200	20	-	320	IC
Rae/Edzo	Arena/Gym/Swimming Pool	600	5	-	-	605	IC
Rae/Edzo	Garbage Truck	150	-	-	-	150	IC
Rae/Edzo	Grader	-	-	-	230	230	IC
Rae/Edzo	Intake/Pumphouse (Edzo)	1,075	3	-	-	1,078	TCA
Rae/Edzo	Loader/Backhoe	-	-	160	-	160	IC
Rae/Edzo	Sewage Lagoon (Rae)	10	-	-	-	10	TCA
Rae/Edzo	Solid Waste Disposal Site	300	3	-	-	303	IC
Rae/Edzo	Water Treatment Plant (Rae)	1,925	10	-	-	1,935	TCA
Rae/Edzo	Water Treatment Plant Upgrade (Edzo)	75	800	200	5	1,080	TCA
Sachs Harbour	Loader	200	-	-	-	200	IC
Tax Base	Water and sewer	2,500	2,500	2,500	5,000	12,500	IC
Territorial	Administration of the Territorial Lands Acts System	500	-	-	-	500	TCA
Territorial	Land Development Fund	300	300	300	300	1,200	IC
Territorial	Main Street Chip-Sealing Non-Tax	800	1,000	1,000	2,000	4,800	IC
Territorial	Water Sewer Deficiencies in Non-Tax Based Communities	2,000	2,000	2,000	4,000	10,000	TCA
Trout Lake	Backhoe	-	-	-	120	120	IC
Trout Lake	Dozer	-	220	-	-	220	IC
Trout Lake	Firehall	250	5	-	-	255	TCA
Trout Lake	Solid Waste Disposal	35	-	-	-	35	TCA

Community	Project	2005-2006	2006-2007	2007-2008	Future Years	Total	Type Indicator
Tsiigehtchic	Fire Truck	-	-	240	-	240	IC
Tsiigehtchic	Grader	-	240	-	-	240	IC
Tsiigehtchic	Loader	-	-	205	-	205	IC
Tsiigehtchic	Maintenance Garage/Parking Garage	25	70	550	5	650	IC
Tsiigehtchic	Sewage lagoon/Solid Waste Site	-	-	-	250	250	IC
Tsiigehtchic	Solid Waste Site	-	244	-	-	244	IC
Tuktoyaktuk	Fire Truck	-	-	240	-	240	IC
Tuktoyaktuk	Grader	-	240	-	-	240	IC
Tuktoyaktuk	Hamlet Office – Foundation Repair/Replacement	150	-	-	-	150	IC
Tuktoyaktuk	Loader	-	-	200	-	200	IC
Tulita	Grader	235	-	-	-	235	IC
Tulita	Loader	-	-	-	200	200	IC
Wekweti	Fire Truck	240	-	-	-	240	TCA
Wekweti	Loader/backhoe	-	-	-	160	160	TCA
Wekweti	Sewage Truck	-	-	-	120	120	TCA
Wekweti	Solid Waste Disposal Site	40	250	250	5	545	TCA
Wekweti	Water Truck	-	-	-	130	130	TCA
Wha Ti	Dozer	-	-	-	245	245	IC
Wha Ti	Fire Truck	-	-	-	240	240	IC
Wha Ti	Loader – retrofit	-	-	-	85	85	IC
Wrigley	Backhoe	-	-	-	120	120	IC
Wrigley	Dozer	-	-	250	-	250	TCA
Wrigley	Fire Truck	-	-	-	240	240	TCA
Wrigley	Grader	-	-	-	235	235	TCA
Wrigley	Loader – retrofit	-	-	-	75	75	TCA
Wrigley	Water Treatment Plant/Truckfill Station – retrofit	925	-	-	-	925	TCA
Total Municipal and Community Affairs		19,729	12,290	9,393	15,595	57,007	

NEW Fall 2004 INITIATIVES

Overview of Upcoming Priorities

New Deal for Northwest Territories Community Governments – A key priority of the 15th Legislative Assembly's Strategic Plan. The Department of Municipal and Community Affairs is working in partnership with communities to develop strategies to advance the goals of this new initiative.

Healthy Choices – A coordinated effort across social program departments to raise awareness among residents and in communities on a range of lifestyle choices that can affect health and well-being. Active living, volunteerism, youth development and a sport and recreation system that provides for a wide range of participation options are the Department's priority.

Streamline land administration – In partnership with other Government of the Northwest Territories departments, the Department of Municipal and Community Affairs is working towards a streamlined land management system, which will transfer leases to fee simple title where appropriate, and continue to transfer municipal land to municipal governments.

Supporting the political evolution of community governments – The Department of Municipal and Community Affairs is working to enable community governments to develop and assume increased authorities and responsibilities.

Brokering partnerships – The Department of Municipal and Community Affairs is working to facilitate partnerships with, and between, key stakeholders in support of shared goals.

Federal New Deal

In December 2003, the federal government announced its proposed New Deal for Cities. The Department of Municipal and Community Affairs is acutely aware of the infrastructure deficit facing Northwest Territories community governments and is aggressively exploring options to assist communities in identifying and leveraging funding for community infrastructure through options such as:

- access to federal infrastructure programs;
- low interest borrowing;
- access to other pools of funding such as the Federation of Canadian Municipalities Green Fund; and
- partnering with industry, and public-private partnerships, etc.

The federal government has not yet completely articulated details of the proposed New Deal for Cities, and the Department of Municipal and Community Affairs is working with the Northwest Territories Association of Communities to obtain complete information on what the federal New Deal means for community governments. Accordingly, the following information is subject to change and further clarification from the federal government.

On July 20, 2004, Prime Minister Paul Martin appointed the new federal Cabinet. It includes the appointment of Paul Godfrey, previously the Parliamentary Secretary to the Prime Minister with special emphasis on cities, as the Minister of State for Infrastructure and Communities.

There are three main pillars to the federal government's New Deal for municipalities. They are:

1. Municipal Rural Infrastructure Fund;
2. Full recovery of the Goods and Services Tax (GST); and
3. Gas tax percentage allocated to municipalities.

Municipal Rural Infrastructure Fund

The Northwest Territories has been allocated approximately $15.6 million over a five-year period under the Municipal Rural Infrastructure Fund. Similar to the Canada-Northwest Territories Infrastructure Fund, these funds will be flowed through the territorial government for furtherance to community governments.

A positive feature of the new program is that there is a $15 million floor for each jurisdiction, with the remainder allocated by population. The Northwest Territories' share is therefore $15 million, plus a per capita allocation based upon the latest Statistics Canada figures. As with the previous Canada/ Northwest Territories Infrastructure Program, the program requires matching funds to be available from the Government of the Northwest Territories and, in the case of tax-based communities, from the community government.

The Department of Municipal and Community Affairs is working with the Northwest Territories Association of Communities to determine how best to allocate this funding among Northwest Territories communities.

Municipal and Community Affairs' officials are currently negotiating with Infrastructure Canada representatives to finalize this program in more detail and to clarify the terms and conditions of the funding, with a view to having a signed agreement in place by January 2005.

Goods and Services Tax (GST) Rebate

As part of its 2004-2005 budget, the federal government has implemented a full recovery of the GST paid by municipal governments on goods and services, effective February 1, 2004. Previously, municipal governments were eligible for recovery of 57.14 percent of GST – in other words, four percent of the total seven percent GST charged.

It is estimated that this additional rebate will result in an estimated savings to municipalities across Canada of approximately $7 billion over the next ten years. The Department of Municipal and Community Affairs estimates that this will translate into approximately $1.8 million in savings per year for Northwest Territories community governments.

At this time, it appears that the federal government is applying this rebate only to municipal governments. Band governments that deliver municipal services were not automatically eligible to receive the partial rebate of the four percent but could apply to the federal government for a rebate on certain goods and services pursuant to the federal *Excise Tax Act*. More details are required from the federal government to determine if this approach will continue with the full rebate.

Communities will be able to use these funds towards improving existing programs and planning for the future.

Premier Joseph L. Handley has publicly stated that the Government of the Northwest Territories will not reduce territorial funding to community governments by a similar amount, which would have effectively clawed back the positive effects of the tax rebate for Northwest Territories municipal governments.

Federal Gas Tax

As part of its 2004-2005 Budget, the federal government stated that it remains committed to working with the provinces/territories to share gas tax revenues with communities or to determine other fiscal mechanisms, which achieve the same goals.

More information is required in order to analyze the impact that provision of a portion of gas tax will have on Northwest Territories communities.

New Deal for Northwest Territories Community Governments

The Government of the Northwest Territories *Strategic Plan* tabled on May 24, 2004 included under Priority 1 (supporting greater community autonomy) the following statement: *"negotiating a new deal with community governments."* Actions to be undertaken under Goal 3 include the following:

- Implement legislative and policy changes to provide expanded authority and accountability to community governments; and

- Implement legislative and policy changes to provide community governments with access to increased revenues and with greater authority over infrastructure development.

The Premier's Sessional Statement of May 26, 2004 committed the government to providing to community governments the tools to achieve greater autonomy and indicated that the Minister of Municipal and Community Affairs, the Honourable Michael McLeod, would be outlining the Government's plans for providing full authority and responsibility to community governments at the Annual General Meeting of the Northwest Territories Association of Communities, held June 10-13, 2004.

Minister McLeod unveiled the New Deal at the Northwest Territories Association of Communities' 2004 Annual General Meeting. At that meeting, community leaders indicated cautious interest. Subsequently, the Northwest Territories Association of Communities has established a 'New Deal Working Group' consisting of four members from across the Northwest Territories, who will be undertaking greater analysis on behalf of the organization of both the federal and the Government of the Northwest Territories New Deals.

The New Deal establishes a framework that is based upon the following six key pillars:

1. Work with community governments to implement the expanded authorities and accountabilities that came into force with new municipal legislation on April 1, 2004; and that will come into force for Tlicho communities through the *Tlicho Community Government Act.*

2. Work with community governments and regional bodies where appropriate to support implementation of self-government arrangements where municipal jurisdiction resides under new governance structures.

3. Transfer full authority for the acquisition and development of Community Public Infrastructure (CPI) to community governments.

4. Expand municipal taxation authority to all community governments.

5. Work in partnership with community governments and the Northwest Territories Association of Communities to identify innovative approaches to infrastructure financing, and to leverage funding from other sources.

6. Work in partnership with community governments, the Northwest Territories Association of Communities and regional bodies established under self-government arrangements to identify innovative approaches to capacity issues at the community level.

Several of the above initiatives are already underway and can continue within the Department of Municipal and Community Affairs' current mandate and resources. However, the initiatives to transfer full authority for infrastructure to community governments, and to expand municipal taxation authority will result in substantive changes to the Government of the Northwest Territories and the Department of Municipal and Community Affairs' current legislative and policy framework. Municipal and Community Affairs is currently developing a detailed work plan, including a communications plan and an implementation timeframe, for the New Deal.

Consultation with community governments will be critical throughout the research and developmental phase of this initiative. To this end, Municipal and Community Affairs has met with the Northwest Territories Association of Communities' New Deal Working Group to explore these concepts.

Leveraging Additional Resources for Infrastructure Funding

One of the key components of the New Deal is to support communities to leverage infrastructure funding. Community governments need to take advantage of innovative approaches to financing infrastructure, including public/private partnerships. Most community governments do not have the capacity to develop proposals required to pursue these innovative funding approaches, or to access other third party funding.

The Government of the Northwest Territories funds virtually 100 percent of municipal infrastructure in non-tax-based communities. The Government of the Northwest Territories is already falling behind in keeping up with the demand for new infrastructure, repairs and replacements. Impacts of resource development, and new regulatory requirements, will increase the demand.

Through the re-allocation of existing resources, Municipal and Community Affairs has established two new positions responsible for pursuing alternative funding sources for community infrastructure, among other responsibilities. To date, the following work has been undertaken:

1. Work with the Northwest Territories Association of Communities to develop a funding proposal to the Federation of Canadian Municipalities' Green Fund for funds to develop a territorial approach to decommissioning requirements for solid waste sites in both tax-based and non-tax-based communities.

2. Work with the Northwest Territories Association of Communities to develop a funding proposal to the Federation of Canadian Municipalities' Green Fund for a feasibility study on regional approaches to solid waste management.

3. Work with the Local Government Administrators of the Northwest Territories to pursue membership in a provincial municipal finance association, to provide access to low-cost borrowing.

4. Develop funding policies that will allow communities to borrow funds to advance proposed capital projects – specific interest has already been expressed by several communities.

UPDATES Fall 2004

ATLAS – Geographic Information System

More Than A Mapping System

In order to meet the increasing need for information on land management and use, the Lands Administration Division of Municipal and Community Affairs is developing a computerized **Geographic Information System (GIS).**

Known as *Administration of the Territorial Land Acts System* (ATLAS) *GIS*, the system will provide accurate graphic and written information on each parcel of land within a community's boundary. This supports Municipal and Community Affairs' vision of providing more autonomy and authority to community governments over the management of land within their boundaries.

The benefits to the Department of Municipal and Community Affairs, community governing authorities, Government of the Northwest Territories departments, and other stakeholders will be substantial. ATLAS will collect, store, retrieve, transform, analyze and display lands information. A user of the system will be able to see, change, analyze and display land information through maps and reports. Some of the potential uses of ATLAS are land management, community planning, and infrastructure management.

Not only will ATLAS be a vital tool for the Department of Municipal and Community Affairs, it will assist in land claims negotiations and assist First Nations as they take on responsibility for land administration functions as the authority for lands devolves.

It is expected that ATLAS GIS will be in place as a tool for the users by 2006.

What is GIS?

ATLAS GIS is a method to change, look at, study and show information about land in maps and reports. We can think of them as "Smart Maps" that link maps to written information about land. They change written information that is difficult to understand into something that we can see and easily comprehend.

ATLAS GIS is not just a computer program. There are many components to the system, including: computers, information (both written and in maps), GIS software and people.

It is more about people than any thing else. The technology is well developed and can be purchased off the shelf. However, it is essential that users be well trained in using this technology and in keeping the information up-to-date.

"Smart Maps" link maps to written information

Our Mission

The Department of Municipal and Community Affairs' mission is to develop and implement a territorial-wide GIS through consultation between the Municipal and Community Affairs' staff, other Government of the Northwest Territories departments, community governments, Aboriginal self-government groups, and other stakeholders, in order to:

- Provide user friendly access for all stakeholders to all land information within community boundaries;
- Ensure data quality and data maintenance for system users; and
- Provide ongoing GIS training and education for users.

Current Status

- Development and implementation of the GIS began in April 2003 and estimated to be completed over three years, at an estimated cost of $1.5 million.

- The Department of Municipal and Community Affairs has hired a GIS project manager to oversee the development and implementation of the GIS, as well as communicate the project status to all stakeholders to ensure they are fully aware of those aspects of the project that are important to them. This will ensure that they will be in a position to take full advantage of ATLAS GIS.

- Phase I of the GIS was a detailed Business Requirements Needs Analysis, and a strategy for the development and implementation of the system. The major activity under this phase has been to seek broad input from primary stakeholders, to ensure that the GIS will address the needs of potential users and stakeholders.

- The major focus during the 2004-2005 fiscal year is to implement the GIS solution of the ATLAS initiative. This involves the development of a parcel data model, and the configuration and installation of GIS software and hardware. These activities will increase the accessibility of the GIS to Municipal and Community Affairs' staff and its stakeholders.

- GIS training is being provided to Municipal and Community Affairs' staff in preparation for implementation of the system. This training will soon be available to community governments, Aboriginal groups, and other stakeholders who require access to training to be able to use ATLAS.

- Land verification is underway to facilitate the implementation of the GIS and verify regional land records in consultation with community governments, Aboriginal groups, territorial government departments and the federal government.

- A strategy has been developed to give users access to GIS in the short term. The strategy includes development of a GIS\Digital Web mapping site that provides land information for the communities where the land verification process is complete. The interim system was launched in December 2003 and includes land and mapping information available for Fort Providence, Fort Resolution, Wrigley, Deline, Tulita, Aklavik, Fort McPherson, Holman, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk, Edzo, Gameti, Wekweti, and Wha Ti. Other communities will be added to the interim system as the land verification project for each community are completed.

For more information on ATLAS GIS, please contact:

Brad York, Senior Advisor, Land Management Information Systems
Lands Administration Division
Municipal and Community Affairs
Phone: (867) 873-7586
E-mail: brad_york@gov.nt.ca

Or, to access the interim GIS website, please visit:

http://www.gis.eba.ca/maca/index.asp

Community Government Funding Policy Stakeholder Review

On April 1, 2001 the new Community Government Funding Policy came into effect. This provides the framework to guide the allocation of funding to community governments, which in turn is outlined in greater detail through three departmental policies. These policies are:

- Formula-Based Funding Policy
- Municipal Infrastructure Funding Policy
- Extraordinary Funding Policy

The Formula-Based Funding Policy uses three factors to determine the allocation of funding to a community government:

- Population
- Community Infrastructure Indicator
- Northern Cost Index

The formula essentially determines a proportionate share of the total formula-based funding amount for each community government. There is a variation in the formula in order to recognize three types of governing structures:

- Settlements/Designated Band Councils
- Hamlets and Charter Communities
- Cities, Towns and Villages

Municipal and Community Affairs enters into a Memorandum of Understanding with each community government. The MOU outlines the funding projections, the responsibilities and the financial reporting requirements.

Now that the Policy has been in effect for three full fiscal years, it is timely to review the approach and determine whether it meets the needs of communities. The first step in this review is to undertake a survey of all communities that receive funding in order to determine:

- satisfaction with the current policy
- ease of budgeting future cash flows
- ability of the funding policy to meet community needs
- financial reporting requirements
- payment schedules
- minor capital

Once completed, Municipal and Community Affairs will use the information and feedback provided to undertake a review of the Community Government Funding Policy to ensure that it meets the changing needs of the Northwest Territories' 33 communities.

Community Initiatives Program and Allocations

In 2004-2005, its second year of operation, the Community Initiatives Program provides funding to non-tax-based communities to address priorities in the areas of families and youth, healthy lifestyles and safety education with a special emphasis on active living. Projects are limited to a maximum contribution of $100,000 per community per year, and communities are encouraged to use this funding to stimulate contributions from other partners. As of September 2004, funding for the Community Initiatives Program is allocated on a regional basis, as follows:

Inuvik Region	$250,000
Sahtu Region	$150,000
North Slave Region	$200,000
South Slave Region	$200,000
Deh Cho Region	$200,000
Total	$1,000,000

For further information on program criteria and eligibility, please contact the Municipal and Community Affairs' Superintendent in your region.

Implementation of the *Tlicho Community Government Act*

Chapters 8 (Community Governance) and Chapter 9 (Community Lands) of the Tlicho Final Agreement require significant involvement of Municipal and Community Affairs in order to achieve the obligations by the effective date, which is expected to be sometime during 2005. An internal Municipal and Community Affairs Task Team has been established to co-ordinate department activity.

Officials from the North Slave regional office participate in the Tlicho Implementation Team meetings as observer/advisors. Municipal and Community Affairs provides funding to support these meetings and assists Senior Administrative Officers and Band Managers with travel expenses. The implementation work plan outlines a broad array of tasks, which Municipal and Community Affairs staff are involved in:

- Bylaw Starter kit;
- Community orientation on *Tlicho Community Government Act;*
- windup of charter and hamlet operations;
- training plan for community elections;
- training plan for first council;
- transfer of asset and liabilities;
- insurance requirements;
- Chart of Accounts;
- financial management training;
- acquisition of required computer software/hardware;
- identification of preventative maintenance schedules and central mobile equipment capabilities;
- leases for community office (Wekweti);
- human resource assessment needs and training plans;
- job descriptions;
- employee agreements;
- policy development for the transfer of land, leases and liabilities; and
- website development and other miscellaneous items.

Co-operation between Municipal and Community Affairs and the Dogrib Treaty 11 Council in the training of community government staff is ongoing. Further detailed discussions are required to ensure effective resolution to outstanding common issues, for example land administration systems, first elections, transfer of assets/liabilities, etc.

Main Street Chip-Sealing Program Update

The Department of Municipal and Community Affairs recognizes that dust control is a key issue for many community governments. The Main Street Chip-Sealing Program was established in 2003-2004 in response to a number of concerns associated with dust generation on roads in non-tax-based communities. Concerns included driver and pedestrian safety, health issues, and overall quality of life. Dust control problems have increased as the number of motorized vehicles in use in communities increases.

Dust control is the responsibility of community governments. Most communities use calcium chloride, or some other form of dust control agent, to suppress ambient dust during the summer months. Calcium chloride and chip sealing are the two dust control methods currently used and there may be other alternatives that are more cost effective to implement and maintain. The Department of Municipal and Community Affairs is continuing to partner with the Department of Transportation to implement the Main Street Chip-Sealing Program but funds are limited and cannot address the needs of all communities. Work is, therefore, underway to explore other methods that may be used to control dust. Municipal and Community Affairs hopes to have options available for consideration by communities in 2005.

New Municipal Legislation

On April 1, 2004 new legislation governing cities, towns, villages, hamlets and charter communities came into effect and comprehensively updated the *Cities, Towns and Villages Act*, *the Hamlets Act*, and the *Charter Communities Act*. The new Acts are the result of an extensive consultation process over the past several years that included community governments as well as Territorial leaders, senior government officials, the Northwest Territories Association of Communities and the Local Government Administrators of the Northwest Territories.

The fundamental change was the move to recognizing that community governments should have broad authority where it comes to municipal interests. The old, more restrictive approach was to provide municipal governments with specific powers and authorities but not to allow communities to exercise any powers or authorities if they were not provided for in the Act. The new, more permissive approach, sets out a broad legislative framework, and includes "spheres of jurisdiction," which give communities broad authority to exercise powers within the "community interest," and are similar to those powers and authorities exercised by other municipal governments throughout Canada. As well, many of the areas that previously fell under the Minister's discretion to approve have been removed and now either fall under the Council's discretion, or they become a matter for the voters in the community to approve.

The Department of Municipal and Community Affairs' Changed Role

The Department of Municipal and Community Affairs' relationship with community governments is changing in the spirit of the new legislation. The role of the Department now focuses on establishing the legislative framework, providing financial support, and giving technical advice as and when requested by a community government. The Department does not become involved with the review of council decisions, administrative actions, or otherwise interfere in local matters, except in extreme circumstances. It is the responsibility of citizens to take advantage of their powers under the Acts to hold their community government accountable.

Implementation

Implementation of the new legislation has involved consultation with representatives of community governments and the various groups that are helping provide a smooth transition to the new processes and powers. A steering committee of representatives from the Local Government Administrators of the Northwest Territories, the Northwest Territories Association of Communities and Municipal and Community Affairs was formed to guide the process through three phases. The first phase, which was completed in March 2004, informed Senior Administrative Officers who would be working most closely with the new legislation.

The second phase, which was completed this year, involved a further review with all Senior Administrative Officers at a Local Government Administrators of the Northwest Territories meeting, June 9 and 10, 2004 in Yellowknife, followed by a presentation/workshop for elected officials at the Northwest Territories Association of Communities' Annual General Meeting in Hay River, June 10-13, 2004. The third and current phase involves presentations to individual councils, as and when requested, and the development of materials for distribution to the public and other stakeholders.

The Department of Municipal and Community Affairs continues to work with the Local Government Administrators of the Northwest Territories and the Northwest Territories Association of Communities in the development of materials that will be helpful for Senior Administrative Officers and community governments as implementation moves forward.

If your Council would like more in-depth information on the new municipal legislation, please contact the Municipal and Community Affairs' Regional Superintendent in your region to schedule a briefing or workshop. Municipal and Community Affairs' staff will continue to advise, upon request, individual Senior Administrative Officers and Councils on the new process and the interpretation of the new Acts.

Northwest Territories Council of Sport and Recreation Partners

Based on final consultations with all sport and recreation stakeholders throughout the summer and fall of 2004, the Minister of Municipal and Community Affairs, the Honourable Michael McLeod, tabled an Implementation Plan in the Legislative Assembly during the Fall 2004 Session. The Council will be formally in place as of April 2005.

The "Northwest Territories Council of Sport and Recreation Partners" will include membership from each region, Sport North, the Aboriginal Sport Circle of the Western Arctic, the Northwest Territories Recreation and Parks Association, the Mackenzie Recreation Association and the Beaufort Delta Sahtu Recreation Association. It will be responsible for overall governance and financing of the sport and recreation system. It will not replace existing partners, but will provide a forum for them to streamline administration, fill program gaps and help seek out new sources of revenues and partnership opportunities. It will also give a voice in overall system management to communities through effective regional representation.

As part of the Department's commitment to this process, Municipal and Community Affairs is moving ahead with changes to the regulations for the *Western Canada Lottery Act*, to allow the lottery to operate in a more businesslike manner while still maintaining the proper controls on this activity. It is anticipated that these changes will result in additional program revenues for the partners.

Preparing for the Impacts of Resource Development

The Mackenzie Gas Project and other resource development projects will have a significant impact on a number of Northwest Territories communities. The Department of Municipal and Community Affairs is working in partnership with community governments to identify these impacts and opportunities, and assist communities to prepare for them.

Municipal and Community Affairs established the Resource Development Task Team in 2003 in order to provide advice and recommendations on minimizing the potential impacts of resource development projects, and to maximize the benefits of the projects to communities, by building community capacity.

In addition to departmental staff from both regional offices and headquarters, the team includes two members from the Local Government Administrators of the Northwest Territories to participate in order to provide operational input and advice.

Specifically, the Resource Development Task Team is mandated to:

- Review resource development projects to assess potential impacts on municipal infrastructure and interests;
- Provide communities with practical tools, such as a community planning guide, to plan for/manage the potential impacts to municipal infrastructure and to the programs and services they deliver to their residents;
- Establish a process for information sharing related to resource development projects to all affected parties;
- Develop a coordinated internal process for administering land use permits, quarry permits, leases and other types of land dispositions, related to resource development projects; and
- Coordinate the administration of Commissioner's Land with other regulatory agencies, such as the land and water boards established under the *Mackenzie Valley Resource Management Act.*

Now that the Environmental Impact Statement (EIS) has been released, there will be a significant increase in the amount of work for territorial departments and communities to prepare to review this document in order to protect the best interests of residents of the Northwest Territories.

The Resource Development Task Team has reviewed the Mackenzie Gas Project's Preliminary Information Package, and has identified issues that Municipal and Community Affairs will need to address to protect the interests of the communities and those of the Department, including:

- the use and management of community infrastructure;
- the development of a consultation plan for communities and other Government of the Northwest Territories departments;
- permitting and land tenure within community boundaries;
- impacts on the Department of Municipal and Community Affairs' internal financial and human resources;
- identifying the role and priorities of the School of Community Government;
- emergency planning measures; and
- community impact benefit agreements.

The Department of Municipal and Community Affairs' regional staff have developed the Community Action Tool-kit, which is a generic planning guide, to assist communities in identifying issues and impacts related to resource development.

In June 2004, The Department of Municipal and Community Affairs' staff made a presentation at both the Northwest Territories Association of Communities and the Local Government Administrators of the Northwest Territories Annual General Meetings on preparing for resource development impacts. Copies of the Tool-kit were distributed during the presentations. To complement the Tool-kit, detailed community profiles are being developed for each community. Developing the profiles for communities along the Mackenzie Valley is the first priority.

Draft profiles have been shared with a number of communities in order to seek community input and approval. Consultations to date have been positive and communities see the profiles as useful tools; as an example, Deh Cho First Nation representatives were in attendance at the consultations with Wrigley and echoed the support from the community representatives for the profiles.

Municipal and Community Affairs has received additional one-time funding in 2004-2005 to conduct a study of the permitting regime currently in place for issuing land use permits within community boundaries. Work on this study commenced in late September 2004.

Municipal and Community Affairs has profiled two vacant positions to establish specialized planning positions in the Fort Simpson and Inuvik offices to work with communities on these issues. As part of its funding request to the Government of the Northwest Territories for the 2005-2006 fiscal year, Municipal and Community Affairs has requested a new resource development technical support position for the Sahtu regional office. If funding for this position is approved by the Legislative Assembly, the staff member in this position will assist in the preparation of the community profiles and will provide on-going technical support to the communities in the Sahtu region.

The need for a workshop where community leaders can discuss the impacts of resource development and share best practices has been identified by both Municipal and Community Affairs and the Northwest Territories Association of Communities. The Department of Municipal and Community Affairs has been working with the Department of Resources, Wildlife and Economic Development on the coordination of this workshop and is working to arrange on in December 2004.

The Department of Municipal and Community Affairs will continue to coordinate its efforts with other Government of the Northwest Territories departments, the Local Government Administrators of the Northwest Territories, the Northwest Territories Association of Communities and community governments. Providing advice and support to communities will be an on-going and long-term endeavour through the pre-construction, construction and operation phases of the Mackenzie Gas Project.

Water and Sewage Services Subsidy Policy (WSSSP) Review Update

The original WSSSP subsidized residential water rates throughout the Northwest Territories. The subsidy was designed to keep residential rates at a set amount of $0.0027 per litre, with the Government of the Northwest Territories paying for any costs over and above this amount.

Municipal and Community Affairs continues to apply the subsidy rates from 1996, when the policy was last changed. The rates no longer reflect current needs, due to changing circumstances including:

- changes in water delivery and treatment systems;
- changing utilization rates; and
- concerns over aging infrastructure.

There is also concern over the complexity of the calculations used to determine the funding allocation under the policy.

Municipal and Community Affairs initiated a review of the WSSSP in late 2003 and has been consulting with community governments. Community consultation on a questionnaire is almost complete. Data analysis has begun and the working group, comprised of the Local Government Administrators of the Northwest Territories and Municipal and Community Affairs' representatives, will be meeting this fall to review the outcomes and consider new options.

Municipal and Community Affairs plans to have two additional rounds of community consultations to review and communicate options developed. These consultations will be in the form of workshops with community administrators and will be held between January – March 2005 and August – October 2005.

The Department of Municipal and Community Affairs will continue to work closely with the Local Government Administrators of the Northwest Territories through their membership on the working group. The initial principles/options under development will be brought to the next Local Government Administrators of the Northwest Territories meeting.

Youth Contribution Policy Update

The Youth Contribution Policy has been updated to clarify the eligibility criteria, define clearly the list of items eligible for funding, and confirm the objectives of the Policy. These changes are intended to bring more focus to the Policy and make the application process a smoother one; they also ensure adequate funding is available for eligible projects throughout the year.

The changes include:

Eligibility criteria is focused on the following areas:

- Traditional cultural events;
- School related extra curricular activities and trips or youth trips sponsored by other organizations;
- Development of youth related organizations (e.g. annual general meetings or conferences); and
- New and innovative projects targeted at improving lifestyle choices.

Priority will be given to projects that focus on developmental activities, initiatives that create a long-term commitment to positive lifestyle choices for youth, and projects that impact five or more youth.

Funding criteria have changed in the following ways:

- For projects involving travel, the only eligible expense is the direct cost of travel. Accommodation, meal, registration and other costs are not eligible.
- Per diems, fees, wages or similar payments to program participants are not an eligible expense.

- Projects held in the Northwest Territories can receive a maximum of 75 percent of eligible expenses to the maximums outlined in Section 5 of the Policy. Projects held outside the Northwest Territories can receive a maximum of 50 percent of eligible expenses to the maximums outlined in Section 5 of the Policy.

- Funding is only available for youth and the appropriate number of chaperons.

- Applications must be received six weeks in advance of the intended start date of the project.

- Funding will only be provided to one group in a community for a given project in each fiscal year.

- Expenses related to the conduct of fundraising events are not eligible.